



**Health Reform Monitoring Survey -- Texas**

RICE UNIVERSITY'S  
BAKER INSTITUTE

The  
★ Episcopal Health ★  
Foundation

## Issue Brief #2:

### The Affordable Care Act and Texas' "Young Invincibles"

March 31, 2014

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One of the goals of the Affordable Care Act (ACA) is to increase the number of young adults with health insurance coverage by offering comprehensive plans at affordable prices through the Health Insurance Marketplace. Participation in the Marketplace by young adults is important because it facilitates access to health care and protects against high, unexpected medical bills. The inclusion of younger, generally healthier people in the insurance risk pool helps the entire system by offsetting the costs of health services used by older and less healthy people.

As the first enrollment period of the ACA's Health Insurance Marketplace comes to a close, special attention is focused on extending health insurance coverage to people ages 18-34. This group is often referred to as the "Young Invincibles," a term coined by the health insurance industry to describe young adults who forego health insurance believing that they are too healthy to justify the cost of coverage.

This issue brief highlights HRMS-Texas' findings about the Young Invincibles' knowledge and perceptions of the ACA immediately prior to the opening of the Marketplace. We also report data regarding insurance status and affordability and accessibility of health services for young adults. The substantial number of uninsured Young Invincibles in Texas—2.3 million people—provides challenges and opportunities for the ACA.

#### AT A GLANCE

*Before the launch of the Affordable Care Act's Health Insurance Marketplace in October 2013:*

- Most Texas young adults knew little about the Affordable Care Act
- 28% of Texas' young adults were uninsured
- Over 40% of Texas' young adults did not have a regular place to go for health care

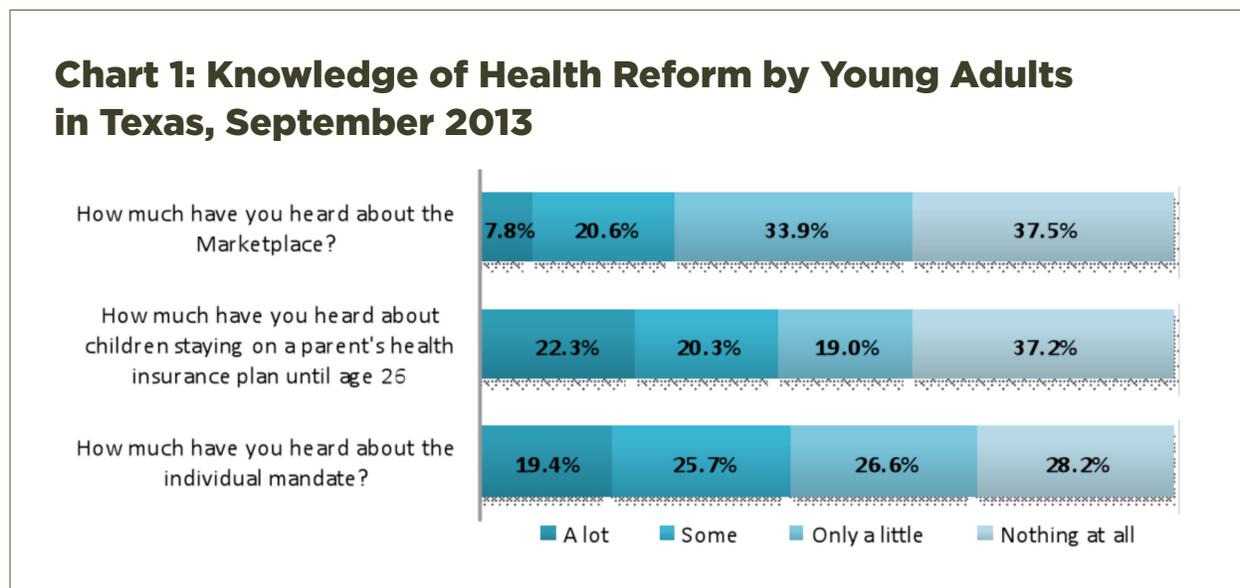
*As of March 1, 2014, almost 80,000 young adults in Texas have enrolled in a Marketplace plan.*

## About the Survey

The Health Reform Monitoring Survey (HRMS) is a quarterly survey of adults ages 18-64 that began in 2013. It is designed to provide timely information on implementation issues under the ACA and to document changes in health insurance coverage and related health outcomes. HRMS provides quarterly data on health insurance coverage, access, use of health care, health care affordability, and self-reported health status. The HRMS was developed by the Urban Institute, conducted by GfK, and jointly funded by the Robert Wood Johnson Foundation, the Ford Foundation, and the Urban Institute. Rice University's Baker Institute and The Episcopal Health Foundation are partnering to fund and report on key factors about Texans obtained from an expanded, representative sample of 1,595 Texas residents (HRMS-Texas). Information about the sample demographics of the entire cohort are available in Issue Brief #1. Demographic information about the 356 Texas young adults highlighted in this Issue Brief can be found on page 9. This Issue Brief is a summary of data extracted from the HRMS Survey in Texas that was administered in September 2013. We will continue to report on survey data through additional Issue Briefs and future surveys.

## Young Adults' Knowledge and Perceptions of the Affordable Care Act

The ACA aims to make health care affordable and accessible to young adults by allowing people up to age 26 to get coverage through their parents' health plans and by offering the lowest priced plans in the Marketplace to those under age 30. Because of the importance of enrolling young adults in health insurance, HRMS-Texas surveyed this population to understand the challenges and opportunities ahead. Despite the importance of young adults to the new Marketplace, Chart 1 shows that most of them knew little or nothing about the features of the new health reform law, including the ability to stay on their parents' plans until age 26.



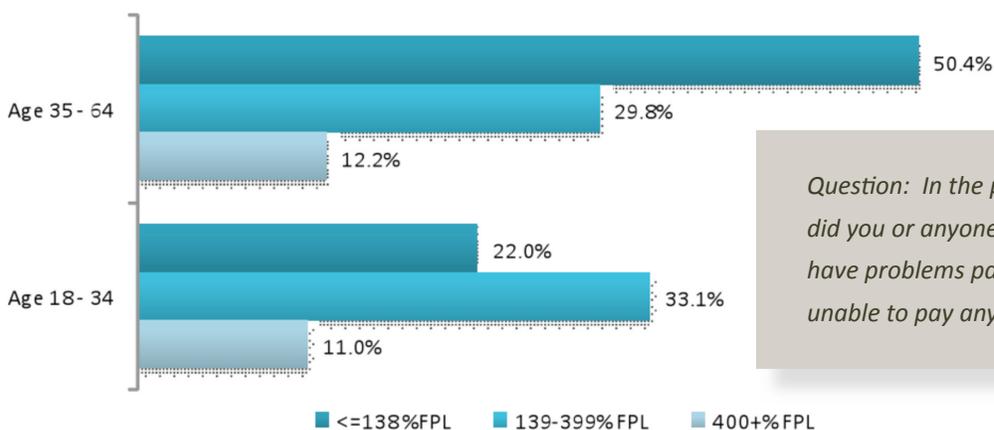
We asked all HRMS-Texas respondents their opinion of the ACA. As Chart 2 shows, more Texans generally held an unfavorable, rather than favorable, opinion about the ACA. The older Texans (ages 50-64) had the largest share of respondents with a favorable opinion (31.1%) and the smallest share with an unfavorable opinion (36.7%). This may reflect the fact that older adults are more likely to want health insurance and may have had difficulty purchasing affordable plans in the past, and are therefore more inclined to show approval of a program designed to give them access to more affordable health plans. Younger Texans, including the Young Invincibles (ages 18-34) and middle aged adults (ages 35-49), had similarly high rates of disapproval (43.1% and 44.7%, respectively) and low rates of approval (24.3% and 24.1%).

**Chart 2: General Opinion of the Affordable Care Act in Texas, 2013**



These findings show that there is much work to be done in Texas to get the Young Invincibles to participate in the ACA. As the Marketplace opened, more than 70% knew nothing or only a little about it. And to the extent they knew anything about the ACA, their opinions were largely unfavorable. Texas officials including Governor Rick Perry have harshly criticized the ACA which may be contributing to Texans' lack of knowledge and negative perceptions of the ACA. As the Marketplace enrollment period comes to a close, we will learn whether and to what extent these barriers to ACA success in Texas were overcome in the first six months of the Marketplace.

**Chart 3: Affordability of Health Services in Texas, by Federal Poverty Level, 2013**



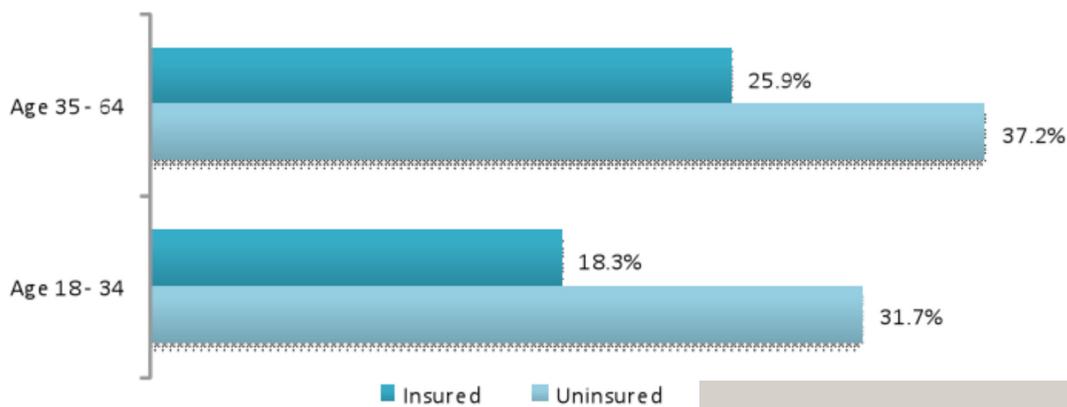
*Question: In the past 12 months did you or anyone in your family have problems paying or were unable to pay any medical bills?*

## Affordability of Health Services for Young Adults

As we reported in Issue Brief #1, Texans from all income levels struggled to pay medical bills in the months before the opening of the Marketplace and, not surprisingly, income level was correlated with affordability. When we compared the responses of the Young Invincibles to the older adults, we found some differences for the lowest income respondents. As shown in Chart 3, only 22% of the young adults in the lowest income group reported difficulty in paying medical bills, significantly less the 50.4% reported by the Age 35-64 cohort. It is possible that this difference is a reflection of the fact that younger adults use fewer health services than older adults and therefore may not experience the same financial strain. And, contrary to the older adults, middle income young adults reported the greatest difficulty in paying medical bills (33.1%) among all Young Invincibles. All adults in the middle income group may find significant benefits from the ACA because they are eligible for subsidies when they buy plans through the Marketplace. For the lowest income Texans, however, the ACA holds little promise because Texas has not expanded its Medicaid program as permitted under the ACA.

We also examined the relationship between insurance status and ability to pay medical bills for the older adults, when compared to the young adults. As would be expected, and as shown in Chart 4, in both groups those without health insurance were more likely to have trouble paying medical bills than those with insurance. And consistent with the data reported above, younger adults in both groups were less likely to have trouble paying medical bills than older adults.

**Chart 4: Affordability of Health Services in Texas, by Insurance Status, 2013**

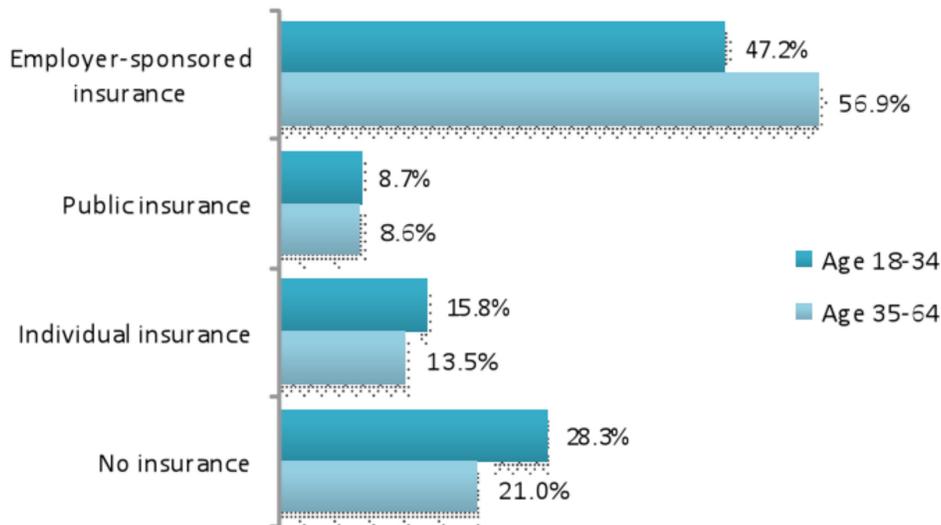


*Question: In the past 12 months did you or anyone in your family have problems paying or were unable to pay any medical bills?*

### Insurance Status and Access to Health Services of Texas's Young Adults

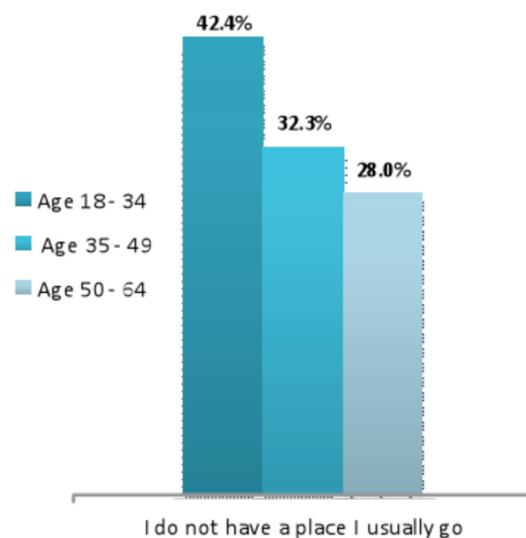
We examined the health insurance status, including source of insurance, of the Young Invincibles and compared it to that of older adults. Young adults were significantly less likely to have health insurance than their older counterparts with uninsured rates of 28.3% and 21%, respectively. The data show the greatest difference between the two groups among those covered by employer sponsored plans, under which 47.2% of young adults were covered, compared to 56.9% for older adults (see Chart 5). This nearly 10 point difference may be attributable to the fact that younger people are more likely to be unemployed, in school, or working in low wage or entry-level jobs that do not provide affordably priced employee health benefits.

**Chart 5: Insurance Status, Texas, September 2013**



To gauge access to the health care delivery system, HRMS-Texas participants were asked whether they had a usual source of care when they were sick or needed advice about their health. As Chart 6 shows, over 42% of the respondents age 18-34 reported that they did not have a usual place to address their health needs, as compared to less than one-third of adults age 35-64. Many primary and preventive services, such as well woman exams and screenings for hypertension, diabetes, and high cholesterol, are included in the cost of the premiums of Marketplace plans. These services can improve health and well-being, and contribute to public health, as young adults with health insurance have access to vaccinations for diseases such as influenza, tetanus, and HPV. Young adults can benefit from these services and have a greater chance of establishing a relationship with a primary care provider if they are insured.

**Chart 6: Usual Place to Go When Sick or Need Health Advice, Texas, 2013**



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## Looking Ahead

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In September 2013 it was evident that young adults, like older Texans, knew very little about the Affordable Care Act and the Health Insurance Marketplace. These data indicate the importance of educating all Texans about the Affordable Care Act and the opportunities it offers for improving access to health coverage. In the first five months after the launch of healthcare.gov, we see progress in health care coverage at the state level. According to the Department of Health and Human Services' recent enrollment report, 295,025 Texas adults selected a Marketplace plan between October 1, 2013 and March 1, 2014. Of these enrollees, 27% or 79,657 are young adults ages 18-34. This is just above the national average of 25%, but only a small fraction of the 2.3 million who are uninsured. Many expect the enrollment of Young Invincibles to climb at the end of the enrollment period. We will continue to survey and report on the HRMS-Texas survey panel to see how many young adult Texans actually get covered.

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## About the Authors

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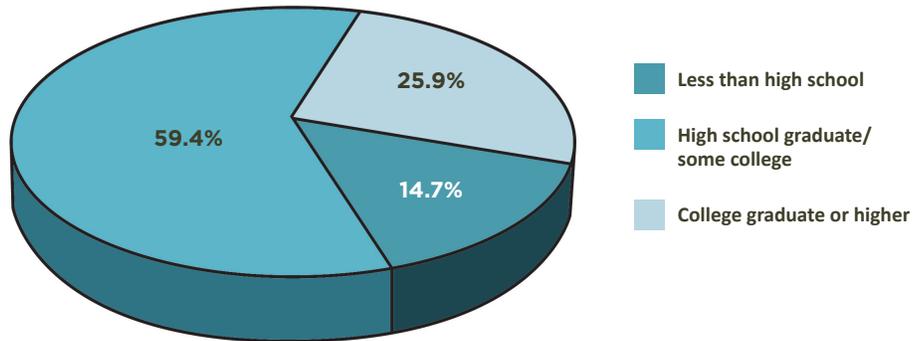
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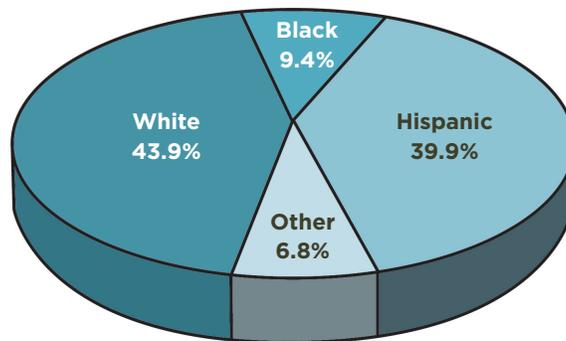
The authors gratefully acknowledge the assistance of Meei Hsiang Ku-Goto, Philomene Balihe, Sheryl Barmasse, and William Troy Bush. The core HRMS is supported by the Robert Wood Johnson Foundation, the Ford Foundation, and the Urban Institute. We appreciate the Urban Institute's willingness to collaborate on expanding the HRMS sample to support estimates for Texas.

## CHARACTERISTICS OF SURVEY PARTICIPANTS Ages 18-34

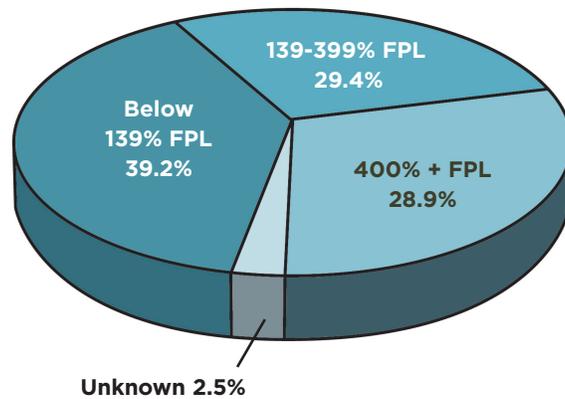
### Education Levels, Age 18-34



### Race/Ethnicity, Age 18-34



### Family Income (%), Age 18-34



## Methodology

Each quarter's HRMS sample of nonelderly adults is drawn from active KnowledgePanel® members to be representative of the US population. In the first quarter of 2013, the HRMS provides an analysis sample of about 3,000 nonelderly (age 18–64) adults. After that, the HRMS sample was expanded to provide analysis samples of roughly 7,500 nonelderly adults, with oversamples added to better track low-income adults and adults in selected state groups based on (1) the potential for gains in insurance coverage in the state under the ACA (as estimated by the Urban Institute's microsimulation model) and (2) states of specific interest to the HRMS funders.

Although fresh samples are drawn each quarter, the same individuals may be selected for different rounds of the survey. Because each panel member has a unique identifier, it is possible to control for the overlap in samples across quarters.

For surveys based on Internet panels, the overall response rate incorporates the survey completion rate as well as the rates of panel recruitment and panel participation over time. The American Association for Public Opinion Research (AAPOR) cumulative response rate for the HRMS is the product of the panel household recruitment rate, the panel household profile rate, and the HRMS completion rate—roughly 5 percent each quarter.

While low, this response rate does not necessarily imply inaccurate estimates; a survey with a low response rate can still be representative of the sample population, although the risk of nonresponse bias is, of course, higher.

All tabulations from the HRMS are based on weighted estimates. The HRMS weights reflect the probability of sample selection from the KnowledgePanel® and post-stratification to the characteristics of nonelderly adults and children in the United States based on benchmarks from the Current Population Survey and the Pew Hispanic Center Survey. Because the KnowledgePanel® collects in-depth information on panel members, the post-stratification weights can be based on a rich set of measures, including gender, age, race/ethnicity, education, household income, homeownership, Internet access, primary language (English/Spanish), residence in a metropolitan area, and region. Given the many potential sources of bias in survey data in general, and in data from Internet-based surveys in particular, the survey weights for the HRMS likely reduce, but do not eliminate, potential biases.

The September 2013 HRMS has a design effect of 1.47 for nonelderly adults, and a sampling margin of error for a 50 percent statistic with 95 percent confidence of +/- 1.3 for the nonelderly adult sample.

The sample size for Texas was 1,595 respondents.

The sample size for young adults (ages 18–34) in Texas was 356 respondents.

Founded in 1993, the **JAMES A. BAKER III INSTITUTE FOR PUBLIC POLICY** has established itself as one of the premier nonpartisan public policy think tanks in the country. The institute ranks 11th among university-affiliated think tanks worldwide, 20th among U.S. think tanks and fifth among energy resource think tanks, according to a 2013 study by the University of Pennsylvania's Think Tanks and Civil Societies Program. As an integral part of Rice University, one of the nation's most distinguished institutions of higher education, the Baker Institute has a strong track record of achievement based on the work of its endowed fellows, Rice faculty scholars and staff. Located in Houston, Texas, the nation's fourth-largest city and the energy capital of the United States, as well as a dynamic international business and cultural center, the Baker Institute brings a unique perspective to some of the most important public policy challenges of our time.

**Contact information can be found at:**

**<http://bakerinstitute.org>**

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**THE EPISCOPAL HEALTH FOUNDATION** is a new entity established through the recent sale of the St. Luke's Episcopal Health System to Catholic Health Initiatives. The Foundation supports the work of the Episcopal Diocese of Texas (the Diocese) and has assets of \$1 billion. The mission of the Foundation is to advance the Kingdom of God with specific focus on human health and well-being through grants, research, and initiatives in support of the work of the Diocese. The Foundation embraces the World Health Organization's broad, holistic definition of health: a state of complete physical, mental and social well-being and not merely the absence of disease. We will focus on improving the health of the 10 million people who live within the 57 counties of the Diocese.

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